

The other reason was that both the Internal Revenue Service, and particularly employers, find it costly and inconvenient to be making changes in the withholding rate. And so, it was felt that it just was not worthwhile taking the jump in two steps, for that reason. Because, this would have meant a change in March and then a change in January 1965.

I think that there has been some exaggeration of the extent to which there will, in fact, have been underwithholding. My own preference is always for underwithholding, because anytime anybody wants to give me an interest-free loan I will take it. But if you object, then the way is always open to you to reduce the number of exemptions that you claim, in which case you are either denying yourself that interest-free loan, or you are giving an interest-free loan to the Government. I do not like overwithholding for the latter reason. I am perfectly willing to pay the Government \$8, \$12, \$50, or \$300, in April.

Unfortunately, I have been in so good a position that I have had to pay a lot more.

QUESTION: (INAUDIBLE)

DR. BRAZER: There are not many knowledgeable tax people in the Bureau of the Budget. I presume you mean the Treasury Department. There are some very knowledgeable and very able people in the Bureau of the Budget, but the Treasury is jealous of its prerogatives in the field of tax policy. You know, this depends upon whether you mean how much they share this view privately, or how much they share it publicly. I think that it is safe to state that at all levels, at least in terms of what they believe to be rational tax policy, privately, the view I expressed is shared more or less unanimously from the very top on down.

Among academic economists in the budget, finance, or tax field, again, I would say that it is shared by the vast majority. If not; if the view is not unanimous, at least there is what one might call a very large qualified majority; say 80 or 90 percent or something like that. In tax policy the difficulty is not so much in getting agreement among "experts," as to what should be done except in a few areas, the difficulty is getting agreement on how it should be done, when it should be done, and getting agreement on priorities.